

Message Text

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ORIGIN SCS-05

INFO OCT-01 ISO-00 EA-09 TRSE-00 /015 R

DRAFTED BY SCA/SCS/RDBELT /AML
APPROVED BY SCA/SCS /JEKILEY
EA/PRCM/MVON BRIESEN
TREASURY/FAC-SSWINEHEART
-----232157Z 012279 /70

P 232050Z MAY 77
FM SECSTATE WASHDC
TO AMCONSUL HONG KONG PRIORITY
INFO USLO PEKING PRIORITY

UNCLAS STATE 118528

E.O. 11652: N/A

TAGS: CFED - BENEFICIARY CHECKS

SUBJECT: DISBURSEMENT OF TREASURY CHECKS TO CITIZENS AND
RESIDENTS OF THE PRC

REF: RECOMMENDATION 5.1-13 INSPECTORS MEMORANDUM NO. 5.1
FOR HONG KONG

1. THERE HAS BEEN SOME CONFUSION CONCERNING THE DISBURSEMENT
OF FEDERAL BENEFITS CHECKS FOR RECIPIENTS RESIDING IN THE
PEOPLE'S REPUBLIC OF CHINA (PRC). THE CONFUSION PROBABLY
IS DUE PRIMARILY TO THE SEPERATE AND DIFFERING GUIDELINES
FOLLOWED BY THE VARIOUS BENEFIT PAYING AGENCIES. WE FEEL
THAT THE FOLLOWING REVIEW OF FEDERAL REGULATIONS REGARDING
SUCH PAYMENTS WOULD BE USEFUL. TREASURY IS WORKING
DIRECTLY WITH THE PAYING AGENCIES TO ENSURE COMPLIANCE WITH
THE REGULATIONS.

2. THE FOREIGN ASSETS CONTROL REGULATIONS (FACR) WHICH BE-
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CAME EFFECTIVE DECEMBER 17, 1950, BLOCKED ALL ASSETS AS OF
THAT DATE FOR ALL PRC CITIZENS AND PERSONS RESIDING IN THE
PRC. THIS PRECLUDES ALL PAYMENTS, INCLUDING BENEFIT PAY-
MENTS CHECK, TO PRC BENEFICIARIES EVEN IF THEY TEMPORARILY
LEAVE THE PRC TO RECEIVE BENEFIT CHECKS. UNDER CERTAIN
CIRCUMSTANCES (USUALLY IF THE BENEFICIARY HAS ESTABLISHED
A PERMANENT RESIDENCE OUTSIDE THE PRC) TREASURY HAS

DISCRETIONARY AUTHORITY TO ISSUE AN INDIVIDUAL LICENSE PERMITTING PAYMENT OF THE FROZEN ASSETS. NO INDIVIDUAL LICENSES HAVE BEEN ISSUED TO DATE.

3. ON MAY 7, 1971, SUPPLEMENTARY TREASURY REGULATIONS TOOK EFFECT EXEMPTING ALL CURRENT TRANSACTIONS FROM THE FACR, I.E. CONTROLS ARE NOT APPLIED TO FEDERAL BENEFIT PAYMENT CASES IN WHICH THE ORIGINAL DETERMINATION OR FINDING OCCURRED AFTER MAY 7, 1971. PAYMENTS ACCRUING AFTER MAY 7, 1971 FOR CASES THAT ORIGINATED PRIOR TO THAT DATE ARE STILL NOT REPEAT NOT PERMITTED. A SEPARATE, BUT RELATED, TREASURY REGULATION (CIRCULAR NO. 655) PREVENTS PAYMENT TO PERSONS RESIDING IN COUNTRIES WHERE IT IS DETERMINED THAT THERE IS NOT A REASONABLE ASSURANCE THAT A PAYEE WILL ACTUALLY RECEIVE THE CHECK AND BE ABLE TO NEGOTIATE IT FOR FULL VALUE. TREASURY HAS DETERMINED THAT THE PRC IS SUCH A COUNTRY. THEREFORE, NO US TREASURY CHECKS CAN BE MAILED DIRECTLY TO RECIPIENTS LIVING IN THE PRC, EVEN IF THE CHECK IS FOR A CURRENT TRANSACTION AS DESCRIBED IN THE 1ST SENTENCE OF THIS PARAGRAPH. CHECK SHOULD NOT BE DELIVERED TO BENEFICIARIES WHO EXIT THE PRC TEMPORARILY TO PICK UP CHECKS IN HONG KONG OR MACAU.

4. IN VIEW OF THE COMPLICATED NATURE OF CASES INVOLVING FEDERAL BENEFIT PAYMENTS TO PRC RESIDENTS AND CITIZENS AND THE SMALL NUMBER OF RECIPIENTS INVOLVED, HONG KONG SHOULD SUBMIT TO SCA/SCS, COPY TO EA/PRCM, ALL CASES INVOLVING FEDERAL BENEFICIARIES WHO ARE OR WHO MAY BE RESIDENTS OF THE PRC. THE DEPARTMENT WILL REVIEW THESE CASES WITH THE UNCLASSIFIED

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OTHER CONCERNED FEDERAL ORGANIZATIONS. IN THIS VEIN, WE UNDERSTAND THAT IN ADDITION TO THE CASE OF LI SCHADA (WIDOW OF ANTHONY F. SCHADA) THERE MAY ALSO BE A SMALL NUMBER OF RECIPIENTS CLAIMING RESIDENCE IN MACAU WHO MAY ACTUALLY RESIDE IN THE PRC AND THEREFORE ARE RECEIVING PAYMENTS IN ERROR. VANCE

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHECKS (MONEY)
Control Number: n/a
Copy: SINGLE
Sent Date: 23-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE118528
Document Source: CORE
Document Unique ID: 00
Drafter: SCS/RDBELT /AML
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770183-1091
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770527/aaaaaxgt.tel
Line Count: 103
Litigation Code IDs:
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Litigation History:
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Message ID: 90a7bf8b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN SCS
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2403290
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Subject: DISBURSEMENT OF TREASURY CHECKS TO CITIZENS AND RESIDENTS OF THE PRC
TAGS: CFED, HK
To: HONG KONG
Type: TE
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Review Markings:
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